

details of your **Life Account 2**

General Conditions

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part A – preliminary conditions

1. the Contract

- 1.1 The Life Account 2 is a unit linked whole of life insurance contract. It provides benefits on the death of the Relevant Life or Lives Assured and may be encashed earlier subject to any legal restrictions.
- 1.2 This document called the 'General Conditions' contains full details of the Contract. It spells out the commitments and rights of both of us as the parties to the Contract in this and the following numbered sections (each called a '**Term**').
- 1.3 The General Conditions applicable to your Contract are:
 - 1.3.1 Part A – preliminary conditions; and
 - 1.3.2 Part B – conditions applicable to all Contracts; and
 - 1.3.3 Part C – Fund conditions.
- 1.4 In your Application Form you requested us to issue multiple Contracts. These General Conditions apply equally to each of the Contracts. For clarity, the Contracts issued as a result of your Application Form will all have the same Contract Commencement Date. This collection of Contracts is referred to as a Plan. The term Plan has no legal meaning, it is purely used for our administrative convenience in referring to the collection of Contracts.
- 1.5 No Term can be varied or waived in any way unless we evidence it by an endorsement or written communication signed by one of our authorised officials. The fact that we may have by mistake or deliberately waived enforcement of a Term on an occasion does not constitute a waiver of our respective rights and obligations at any future time.

2. dictionary

Some words used in the General Conditions have a special meaning. To help you, those which are used frequently throughout these General Conditions are explained in this Term 2, and we have shown them here in bold type. Other words which are used less are explained where they first appear or are most relevant, again they will be shown there in bold type. Any defined words (other than personal pronouns) are shown with the first letter capitalised.

- 2.1 **We, us** and **our** mean Old Mutual Guernsey. This is the name under which Old Mutual Life Assurance Company (South Africa) Limited is trading in Guernsey. **You** and **your** and the Contract Holder mean the other party to this agreement when the Contract is made. It also means a person or persons who become the Contract Holder in the future by legal transfer of ownership of the Contract or by becoming the legal representative to the estate of the Contract Holder on death.

2.2

Actuary	Our officer who has legal responsibilities regarding our sound and prudent financial management. He also has a professional duty to consider the interests of all our contract holders.
Allocated Units	The notional units in each Selected Fund applicable to your Contract. They are allocated either when you pay a Contribution, or on changing your Selected Funds.
Allocation Percentage	The percentage of the Contribution used to calculate the number of units allocated to your Contract each time you pay a Contribution.
Application Form	The form completed and submitted by the Contract Holder and accepted by us in relation to the establishment of the Contract.
Charges	The charges described in Terms 13 to 16 inclusive.
Claim Date	The next Valuation Date of the Fund which follows: <ol style="list-style-type: none">(a) Our receipt of written notice of death of the Relevant Life Assured, which includes the original death certificate or a suitably certified copy at our Guernsey Office; or(b) Our receipt of a written notice to encash the Contract in full or in part at our Guernsey Office.

Contract	The General Conditions, the Contract Summary, any endorsement issued by us, the Application Form and any documents specified by us as part of the Contract, signed by the Contract Holder and accepted by us.	Liquidity Fund	The money market fund in your chosen Contract Denomination.
Contract Anniversary	The date in each year that corresponds to the day and month of the Contract Commencement Date, eg 15/9/10, 15/9/11 and so on.	Notice Period	The time period required to elapse prior to the processing of investments, switches, encashments, exchanges of Allocated Units or claims, from, out of or in respect of the Fund. Such time period will be determined from time to time by us and may differ for subscriptions and redemptions in respect of the Fund.
Contract Commencement Date	The start date of the Contract.	Plan	Collectively all the Contracts applied for on the same Application Form.
Contract Denomination	The currency denomination of the Contract, for example sterling.	Plan Summary	The summary which is sent to you confirming how your Life Account 2 Plan is set up. The Plan Summary lists all the Contracts applied for on the same Application Form.
Contract Holder	The person or persons named as legal owners of the Contract in the Contract Summary.	Plan Value	The total of all the Contract Values within a Plan.
Contract Summary	The Contract Summary is proof of our acceptance of the Contract. For administrative convenience we issue a Plan Summary, which is a summary of all your Contracts within your Plan.	Product Information Sheet	The sheet published by us from time to time including on the Internet, currently at www.oldmutualinternational.com detailing certain information relating to the operation of the Contract.
Contract Value	The value of the Contract from time to time, calculated by adding the value, at their Unit Price(s), of the Allocated Units in the Selected Funds for the Contract. This value includes any accrued Charges.	Transaction Date	This is the date detailed in Term 20 and elsewhere in these Terms. It is the date which determines the price at which units are allocated when you pay a Contribution; and at which Allocated Units are cancelled to pay for benefits and to pay for Charges.
Contribution	The payment you request to pay to your Contract and we accept. This is sometimes referred to as the Premium.	Unit Price	The price at which units are allocated to or cancelled from the Contract.
Death Benefit	The amount payable following the death of the Relevant Life Assured as defined in Term 8.	Valuation Date	Any day on which a Fund valuation takes place.
Fund	A separate identifiable account forming part of our long term business fund. A Fund is kept to enable us to calculate benefits under your Contract as described in Term 4. We keep several Funds and we call those Funds you choose to link your Contract to your Selected Funds.	Working Day	This is a day on which we are open for business at our Guernsey Office.
Guernsey Office	Old Mutual Guernsey, PO Box 68, Albert House, South Esplanade, St Peter Port, Guernsey, GY1 3BY, Channel Islands		
Life/Lives Assured	The person or persons named in the Contract Summary.		

- 2.3 If the meaning of a word is explained in the singular in Term 2.2 (or elsewhere in the Terms in bold type) then it includes the plural of that word and the converse and the masculine or the feminine gender includes all genders.
- 2.4 If any provision in a definition is a substantive provision conferring rights or imposing obligations on you or us, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive Term in the body of the General Conditions.

3. your commitments and when the Contract starts

- 3.1 You agree to pay us a Contribution at our Guernsey Office in return for the benefits provided under the Contract.
- 3.2 The Contract provides for payment of a Death Benefit of 100% of the value of the Allocated Units at their Unit Price less any accrued Charges as described in Terms 12 to 16.
- 3.3 If we accept your application, and we have received the Contribution and, if requested by us, any other information or items from you, then the Contract will start on the date that we make acceptance at our Guernsey Office.
- 3.4 We may need further information or items from you (for example proof of identity or payment of the Contribution). If this is received within the time limit stipulated and satisfies our reasonable requirements (which include having sufficient information to identify any Contribution payment) then the Contract will start:
 - 3.4.1 on the Working Day that we receive the last of the information or items to our reasonable satisfaction at our Guernsey Office by post as provided by Term 17.1.4. If it is received later or by other means then the provisions of Term 17.1.4.2 will apply to decide the start date; or
 - 3.4.2 on the Working Day that we know the Contribution (if that is the last item) has been credited to our bank account.
- 3.5 We will advise you in the Plan Summary of the Contract Commencement Date. You are able to request a Contract Summary; however an administration charge will be made for the supply of an individual Contract Summary.
- 3.6 The Contract will have no value and no benefit will be payable until the Contract Commencement Date.

4. Funds, units and ownership

- 4.1 A Fund represents a group of investments owned by us and is divided into units representing equal shares in the investments of that Fund. You legally own the Contract. To enable us to allocate your Contribution to units, calculate the benefits available to you and to pay for Charges under your Contract, we create Allocated Units. All units in a Fund are of equal value. The price of units is calculated at a Valuation Date as explained in Term 30 and will vary. We are entitled to consolidate or subdivide units if we consider it appropriate. Allocated Units are purely notional and Contract Holders have no legal or beneficial interest in the units or the Fund or any underlying assets which remain our property.
 - 4.1.1 The exercise of any right arising out of the ownership of any underlying assets will be at our sole discretion.
- 4.2 We may keep, create and close Funds at our sole discretion. Terms 31 to 33 contain further information on how a Fund works and closure, merger and any other termination of a Fund.

5. investment risks and responsibilities

- 5.1 You accept the investment risk.
 - 5.1.1 We accept no responsibility for the investment performance of a Fund and the value of Allocated Units can fall as well as rise and could in exceptional circumstances become zero either temporarily because of suspension of a Fund, or permanently. You accept this risk by taking out this Contract.
 - 5.1.2 You and your fund adviser (if any) decide which Funds are most appropriate to your needs based on your investment objectives and risk profile at any time.
 - 5.1.3 The fact that we may allow or refuse to allow a particular Fund to be available to link to your Contract does not indicate any judgement by us about its investment potential.

- 5.2 We may invest in assets which have redemption restrictions applied from time to time. If such restrictions are applied, they will also apply to relevant Old Mutual Guernsey Fund(s) and may significantly delay the processing of switches, encashments, exchange of units and claims.
- 5.3 You and your fund adviser (if any) may invest into a Fund which may have an additional charge, for example a market value adjuster, which may apply if Allocated Units are encashed or switched before a particular date. The amount of this charge will vary.

6. allocating your Contribution to units

- 6.1 The Allocation Percentage will be between 100% and 103% dependent on the charging structure you have requested in your Application Form. Where you have requested an 'Annual Charging Basis' as described in Term 13.3 we will deduct the percentage of initial commission you have specified on the Application Form to calculate the relevant Allocation Percentage.

We may from time to time offer a higher Allocation Percentage on such Terms and for such time as we consider appropriate.
- 6.2 When you pay a Contribution we multiply it by the Allocation Percentage to calculate the amount to be used to allocate units.
- 6.3 We then apply that amount to your Selected Fund by:
 - 6.3.1 converting it to the currency or denomination of your Selected Fund (if this is different to the Contract Denomination); then
 - 6.3.2 dividing it by the Unit Price of units in the Fund to arrive at the number of units to be allocated. If you have more than one Selected Fund then these calculations (subject to any rounding adjustments) will be made for each Fund. These calculations will normally be made on the Transaction Date explained in Term 20.

7. choosing Funds and Fund Switches

7.1 Dictionary

'**Uninvested Cash**' is the description we give to the accounts where money is held to simplify buying and selling of your Selected Funds. These accounts are also used for payment of benefits and as a holding account between transactions. No interest will be credited for any balance held in such accounts. On your valuation statement the amounts in these accounts may be shown as 'contributions awaiting allocation' or 'switch cash awaiting allocation'.

7.2 Making your first Fund choice

- 7.2.1 You can elect in your Application Form (or other communication acceptable to us) the Funds you have chosen and how much of your Contribution is to be allocated to each one. This is expressed as a whole percentage of the amount of the Contribution for each Contract.
- 7.2.2 On the Contract Commencement Date we will hold your Contribution as Uninvested Cash in the Contract Denomination pending investment into your Selected Funds.
- 7.2.3 The Funds will be allocated as whole percentages of the Contribution for each Contract.
- 7.2.4 If we are unable to allocate units to any of your chosen Funds we will contact you for further instructions. Where the Fund you have chosen is closed then the money market fund in the Contract Denomination will be deemed to be your Selected Fund. This may happen, for example, if a situation such as referred to in Term 22 applies.
- 7.2.5 The relevant part of the Contribution will be held as Uninvested Cash in the Contract Denomination until the next Valuation Date on which we can allocate units for your Selected Funds.
- 7.2.6 Any request at a later date to change from such Uninvested Cash must be made in accordance with the Fund Switch requirements of Term 7.3.

- 7.3 Changing your Fund choice
- 7.3.1 You may change your Selected Funds at any time ('Fund Switch'), subject to any one, or more, or all of the following:
- 7.3.1.1 any restrictions applied either by the underlying fund manager or on the advice of our Actuary;
- 7.3.1.2 a situation where redemption restrictions apply as described in Term 5.2;
- 7.3.1.3 where a Fund Switch is deferred or declined as described in Term 7.7;
- provided your instruction is in accordance with our reasonable requirements at the time. These requirements may include a minimum value of units to be switched.
- 7.3.2 To meet our administrative and any legal or regulatory requirements we may impose a limit on the number of Funds chosen and the percentage of the Contribution allocated to a Fund or the percentage of the units in your Selected Funds to be switched.
- 7.3.3 We will apply a Contract Switch Charge with each Fund Switch out of your Selected Funds. This is to cover the administration costs of the Fund Switch in accordance with Term 15.
- 7.4 We will calculate the value at the Unit Price of the Allocated Units in the Selected Funds you wish to move from.
- 7.4.1 We will then apply that value to your new Selected Fund by dividing it by the Unit Price of units in that Fund to arrive at the number of Allocated Units to be allocated to your new Selected Fund. If you have more than one new Selected Fund then these calculations (subject to any rounding adjustment) will be made for each new Selected Fund.
- 7.4.2 Where a Fund Switch is requested between Funds denominated in different currencies we will convert the value of the cancelled Units into the currency of the new Fund and any costs of currency exchange will be deducted before the Units are allocated to the new Fund.
- 7.5 These calculations will normally be made on the next Valuation Date following the Working Day on which we receive your Fund Switch request at our Guernsey Office (or the Working Day we are deemed to have received notification under Term 17.1.4.2). This is also the Transaction Date shown in Term 20.5. Where the Fund valuation happens less frequently than daily, there may be a delay in the completion of your Fund Switch.
- For example, if your Fund Switch request is received in our Guernsey Office on Wednesday, the Fund Switch calculation for a weekly priced Fund will be made on the next Valuation Date, for example, Tuesday.
- 7.6 If all or any part of your instruction is illegible or otherwise incapable of being given effect to, then we will use our best endeavours to advise you of that. We can accept no responsibility for the effects of any delay or failure to carry out all or part of a Fund Switch request in such circumstances.
- 7.7 We are entitled to defer or decline a Fund Switch because of a situation such as referred to in Term 22. We may require revised instructions from you.

part B – conditions applicable to all Contracts

8. Death Benefit

8.1 Dictionary

Relevant Life Assured means in the case of one Life Assured, that Life Assured. In the case of two or more Lives Assured, it means the last of the Lives Assured to die.

8.2 If the Relevant Life Assured dies a Death Benefit will become payable provided the Contract has not been encashed. The Death Benefit will be the value of the Allocated Units at their Unit Price **less** any accrued Charges as described in Terms 12 to 16. A Contract Encashment Charge (if applicable) will not be deducted from the Death Benefit.

The Death Benefit is calculated at the next available Valuation Date following the Working Day on which we receive written notification of the death of the Relevant Life Assured, which includes an original or suitably certified copy of the death certificate at our Guernsey Office (or the Working Day we are deemed to have received notification under Term 17.1.4.2). This is also the Transaction Date shown in Term 20.3.1.

8.3 We will then cancel the Allocated Units. If a Selected Fund is valued less frequently than weekly the provisions of Term 8.8 will apply until the next Working Day on which we can cancel Allocated Units in that Fund.

8.4 Proof of death and title

8.4.1 We will pay the Death Benefit following receipt of our reasonable requirements including proof of the title of the Contract Holder to the Contract and of the death of the Relevant Life Assured. These requirements may also include submission of the original or a suitably certified copy of the death certificate and our standard claim form.

8.4.2 Any expenses incurred in providing us with the proofs needed by Term 8.4.1 including any for translating documents or notaries or other fees are payable by the person claiming the Death Benefit.

8.5 We will pay interest on the Death Benefit between:

8.5.1 the Working Day following the date we receive the encashment proceeds from your Selected Funds. This is generally four Working Days after the Valuation Date of each of your Selected Funds; and

8.5.2 the Working Day on which we agree to make payment and calculate the benefit payable in order to issue a cheque (or otherwise make payment).

8.6 The rate used in calculating the interest payable regarding Term 8.5 is calculated using our bank's prevailing rates. These rates are calculated weekly and are available on request.

8.7 We are entitled to defer payment of the Death Benefit because of a situation such as referred to in Term 22 and Term 5.2.

8.8 What happens if Allocated Units in a Fund cannot be cancelled?

8.8.1 If it is not possible to cancel Allocated Units in a Fund or Funds because of a situation such as referred to in Term 22.2 happening then the Death Benefit, which is a capital sum, will be payable in one or more instalments.

8.8.1.1 We will pay the first instalment being the value of the Allocated Units at their Unit Price in each of the Fund or Funds in which Allocated Units can be cancelled as though they were the only Fund or Funds for the purposes of Term 8.2 above; and

8.8.1.2 We will pay a further instalment or instalments when Allocated Units in the remaining Fund or Funds can be cancelled.

8.8.2 If it is not possible to cancel Allocated Units from the Fund or any of the Funds to which the Contract is linked, the payment of the Death Benefit will be deferred until such time as we are able to make payment of either the Death Benefit, or the first instalment as described in Term 8.8.1.1 above.

8.8.3 We will not pay interest because of a delay in paying the Death Benefit in whole or in part for these reasons.

8.9 No further benefits will be payable under the Contract.

9. Contract options

9.1 Beneficiary Nomination

Dictionary

Nominated Beneficiary means the person or persons named on our Beneficiary Nomination Form as beneficiaries of the Contract.

9.1.1 General Provisions

9.1.1.1 A '**Beneficiary Nomination**' allows the nomination of an individual to whom we will hold all benefits payable under the Contract in the event that there is no surviving Contract Holder and Relevant Life Assured.

9.1.1.2 We are entitled to refuse a proposed Beneficiary Nomination in respect of a Contract or cancel a Beneficiary Nomination previously made in respect of a Contract if we consider that a Beneficiary Nomination is inappropriate having regard to the circumstances.

9.1.1.3 One or more Nominated Beneficiaries may be named by the Contract Holder(s). You must comply with our requirements when naming Nominated Beneficiaries and the maximum number of Nominated Beneficiaries is currently six.

9.1.1.4 The Beneficiary Nomination will only be valid if the nomination is in writing and received at our Guernsey Office before the Claim Date.

9.1.1.5 A Beneficiary Nomination will not confer any rights or benefits on the Beneficiaries until the death of the Contract Holder(s) and Relevant Life Assured.

9.1.2 Revocation of the Beneficiary Nomination before the Claim Date

9.1.2.1 The Beneficiary Nomination may be revoked by the Contract Holder at any time.

9.1.2.2 Any revocation of a Beneficiary Nomination must be made in writing by: the Contract Holder, where there is only one; all Contract Holders jointly, where there are more than one; by the last surviving Contract Holder following the death of the other Contract Holders.

9.1.2.3 Any absolute assignments as defined in Term 25 or new Beneficiary Nomination received by and accepted by us will automatically revoke any existing Beneficiary Nomination on the Contract.

9.1.2.4 The full encashment of the Contract before the death of all the Contract Holders and the Relevant Life Assured will revoke any Beneficiary Nomination in respect of the Contract.

9.1.2.5 Any revocation of a Beneficiary Nomination will only apply to the Contract if it is in writing and received by us at our Guernsey Office before the Claim Date.

9.1.3 Transfer of beneficial interest on the Claim Date

9.1.3.1 At the Claim Date Nominated Beneficiaries must provide satisfactory evidence of their identities and residential addresses subject to our requirements prevailing at the Claim Date.

9.1.3.2 On the Claim Date all beneficial interest in the Contract will accrue to the Nominated Beneficiaries.

9.1.3.3 If there are two or more Nominated Beneficiaries, they will receive equal shares, unless otherwise directed in writing by the Contract Holder prior to the Claim Date.

9.1.3.4 In the event of any individual Nominated Beneficiary predeceasing the Contract Holder, or all the Contract Holders if more than one; or failing to survive them by more than seven days or disclaiming any interest hereunder, such Nominated Beneficiary's interests shall be paid to the estate of the Contract Holder.

9.1.4 Contract transactions after the Claim Date

9.1.4.1 The Beneficiary Nomination may include provisions authorising a person to act on behalf of one or more or all of the Nominated Beneficiaries for the purpose of requesting benefit payments or other transactions in respect of Beneficiary Nominated Contracts following the Claim Date.

- 9.1.4.2 We shall defer benefit payments or other transactions requested by a Nominated Beneficiary aged under 18 until a parent or guardian of the Nominated Beneficiary or a person with authority to act on behalf of the Nominated Beneficiary authorises the transaction concerned.
- 9.1.4.3 We are entitled to request evidence, satisfactory to us, of a person's authority to act on behalf of a Nominated Beneficiary and transactions requested by such a person may be deferred until such evidence is received.
- 9.1.4.4 Benefit payments or other transactions effected on or after the Claim Date under the Contract at the request of or on behalf of the Nominated Beneficiaries will discharge us from all liabilities and claims in respect of the transactions concerned.
- 9.1.5 Absolute assignment or security cession of a Contract
- 9.1.5.1 A Beneficiary Nomination will not in any way restrict the right of the Contract Holder or joint Contract Holders to assign their legal or beneficial ownership of a Contract or grant a person a right or interest in the Contract by way of a charge over the Contract.
- 9.1.5.2 An absolute assignment granting a person '**the Assignee**' a right or interest of any kind in a Contract before the Claim Date will automatically invalidate any Beneficiary Nomination in respect of that Contract and we must be notified of such an assignment at our Guernsey Office so that we can register the fact that the Beneficiary Nomination no longer applies.
- 9.1.5.3 We will not be liable or in any way accountable to the Assignee for any benefits paid or transactions effected under a Contract before written notification of the Assignee's interest in the Contract is received by us at our Guernsey Office.
- 9.1.5.4 A security cession will take precedence over any Beneficiary Nomination received and accepted by us, for as long as the security cession remains so recorded in our records.
- 9.2 Liquidity and rebalancing option
- 9.2.1 You may request this option at any time by writing to us at our Guernsey Office.
- 9.2.2 By selecting this option you are requesting that a target liquidity percentage of currently 10% of your Contract Value be held in the Liquidity Fund.
- 9.2.3 The amount held in the Liquidity Fund will be reviewed monthly on the month anniversary of the Contract Commencement Date. For example if the Contract Commencement Date is 15 June, the month anniversary will be 15 July, 15 August, 15 September and so on. Where this is not a Working Day the review will happen on the following Working Day. Where the value held in the Liquidity Fund is equal to or less than the minimum liquidity percentage, currently 3%, of your Contract Value on the day that we review, we will action a Fund Switch proportionately against all other Funds except those designated as unsuitable for this transaction by us from time to time to return the value in the Liquidity Fund to the target liquidity percentage as specified in Term 9.2.2.
- 9.2.4 The Transaction Date is shown in Term 20.5. Where the Fund valuation happens less frequently than daily, the Fund Switch will take place at the next Valuation Date after the Working Day on which we review the liquidity percentage of the Liquidity Fund.
- 9.2.5 We are entitled to defer this option because of a situation such as referred to in Term 22.
- 9.2.5.1 This may lead to the liquidity and rebalancing option being withdrawn either temporarily or permanently without notice. We will inform you of this at the next practical opportunity.
- 9.2.6 A Contract Switch Charge, as referred to in Term 15, will apply to each Fund Switch we undertake on your behalf in the execution of this option.
- 9.2.7 We are entitled to change the minimum liquidity percentage and target liquidity percentage if our Actuary advises it is reasonable considering the economic conditions and any administration costs involved. We will inform you of any such change before it is first imposed.

- 9.3 Phased Investment
- 9.3.1 Dictionary
- Phased Out Fund(s)**
Means the Fund(s) that you want to switch out of.
- Target Fund(s)**
Means the Fund(s) that you want to switch into.
- 9.3.2 You may request this option at any time by writing to us at our Guernsey Office.
- 9.3.3 **'Phased Investment'** allows you to automatically phase the transfer of a specified percentage from a Fund into another available Fund on a monthly, quarterly, half-yearly or yearly basis for a designated period of time, known as the **'Designated Period'**.
- 9.3.4 The Phased Investment instructions we receive will result in a number of Fund Switches out of your Phased Out Fund(s) into your Target Fund(s).
- 9.3.5 Fund Switches will take place on the dates specified or determined from your instructions and at the frequencies specified. In the event that the Fund Switch date does not fall on a Valuation Date, your instructions will be carried out on the next Valuation Date.
- 9.3.6 Each transaction must result in the minimum **'Fund Level'** amount being met. The minimum Fund Level amount will be specified by us from time to time.
- 9.3.7 You can change your Phased Investment instructions at any time by informing us in writing at our Guernsey Office and we will cancel and/or replace the remaining original Phased Investment instructions.
- 9.3.8 Once elected, the option remains in effect until any of the following occur:
- 9.3.8.1 the Designated Period ends; or
- 9.3.8.2 the balance held by a Fund is inadequate to execute the requested transfer; or
- 9.3.8.3 a death claim which brings the Contract to an end; or
- 9.3.8.4 you fully encash your Contract; or
- 9.3.8.5 one or more of your Phased Out Funds or Target Funds is closed, merged or converted; or
- 9.3.8.6 your Phased Investment is cancelled or modified by you in writing.

- 9.3.9 We are entitled to defer or decline a Fund Switch because of a situation such as referred to in Term 22.
- 9.3.9.1 This may lead to the Phased Investment option being withdrawn either temporarily or permanently without notice. We will inform you of this at the next practical opportunity.
- 9.3.9.2 However, generally we will decline a Fund Switch if all or any part of your instruction is illegible or otherwise incapable of being given effect to. We will inform you of this at the next practical opportunity.
- 9.3.10 A Contract Switch Charge, as referred to in Term 15, will apply to each Fund Switch we undertake on your behalf in the execution of this option.

10. getting money out of your Contract during the Restricted Period

10.1 Dictionary

Restricted Period

The Restricted Period is five years from the beginning of the month in which the Contract Commencement Date occurs.

For example:

if the Contract Commencement Date is 20 June, the Restricted Period would begin on 1 June.

Restricted Amount

The amount that can be encashed either partially or fully is limited to no more than the Contribution received on the Contract plus 5% interest thereon per annum, compounded annually.

Restricted Withdrawal

This means only one encashment may be made per individual Contract during the Restricted Period.

Restricted Rules

The Restricted Rules means the Restricted Period, the Restricted Amount and the Restricted Withdrawal.

Residual Contract Value

The minimum Fund value we stipulate to remain within the Contract after a partial encashment.

Maximum Withdrawal Amount

The maximum amount of withdrawal subject to the Restricted Rules and Residual Contract Value on the Working Day we receive your written encashment request at our Guernsey Office (or the Working Day we are deemed to have received your written encashment request under Term 17.1.4).

- 10.2 Any written encashment request for either a partial or full encashment in the Restricted Period is subject to the Restricted Rules.
- 10.3 Encashment
- 10.3.1 You may make a written encashment request to encash some or all of the Allocated Units at their Unit Price subject to the Restricted Rules. This encashment may be subject to a Contract Encashment Charge (if applicable) if this encashment brings your Contract to an end. The value will normally be calculated on the Valuation Date following the Working Day on which we receive your encashment request at our Guernsey Office (or the Working Day we are deemed to have received your written encashment request under Term 17.1.4). This is the Transaction Date shown in Term 20.3. If your Selected Fund is valued less frequently than daily then there may be a delay in completion of your written encashment request.
- 10.3.2 Where the Contract is linked to two or more Selected Funds, then Allocated Units will be cancelled in line with your written encashment request. Where you have not specified which Selected Funds to encash Allocated Units from, we will try our best to contact you for further instructions. We can accept no responsibility for the effects of any delay or failure to carry out all or part of your written encashment request in such circumstances.
- 10.3.3 To ensure that transactions and Contracts remain viable, we stipulate a minimum amount for a partial encashment as well as a Residual Contract Value. We will not carry out any written encashment request which would breach these amounts. Due to the Restricted Rules these amounts will vary from time to time and per Contract.
- 10.3.4 We are entitled to defer or not to carry out any request for encashment either due to the Restricted Rules or a situation referred to in Term 22 or in Term 5.2.
- 10.4 What happens if Allocated Units in a Fund cannot be cancelled?
- 10.4.1 If it is not possible to cancel Allocated Units in a Fund or Funds because of a situation such as referred to in Term 22 or Term 5.2 happening then:
- 10.4.1.1 if Allocated Units from the Fund or any of the Funds to which your Contract is linked cannot be cancelled then your written encashment request will not be actioned.
- 10.4.1.2 we will try our best to contact you for further instructions. We can accept no responsibility for the effects of any delay or failure to carry out all or part of your written encashment request in such circumstances.
- 10.5 Any written encashment request is subject to our reasonable requirements including proof of the entitlement of the Contract Holder to the Contract. These requirements may also include return of the Plan Summary and an encashment form.
- 10.6 If a Contract has been fully encashed, no further benefits will be payable on that Contract.
- 10.7 How will encashments be made during the Restricted Period?
- 10.7.1 In order to comply with the Restricted Rules and our Residual Contract Value requirements we will apply the following formula to make a partial encashment of one or more of your Contracts:
(Withdrawal amount requested/Maximum Withdrawal Amount) rounded up provides the number of Contracts to be partially encashed.
- 10.7.2 Where an encashment could be taken by either partial or full encashment of a Contract without breaching the Restricted Rules, we will make an encashment in accordance with Term 10.7.1 unless we have an explicit instruction from you to make a full encashment of a Contract.
- 10.7.3 Where a written encashment request is made for a full encashment and this encashment would not breach the Restricted Rules:

- 10.7.3.1 your request to fully encash a Contract will be subject to the charges detailed in Term 10.8. These will apply to each fully encashed Contract.
- 10.7.3.2 on full encashment of a Contract all Allocated Units are cancelled, the Contract will end and no further benefits will be payable in relation to that Contract.
- 10.7.4 Where a partial encashment has already taken place on a Contract, this Contract will no longer be available for further encashment until the Contract is beyond the Restricted Period. This is irrespective of the amount taken from that Contract.
- 10.8 On a full encashment the following charges will be deducted per Contract before any payment is made:
 - 10.8.1 the amount of any accrued Charges;
 - 10.8.2 any outstanding Contract Establishment Charge if the Contract was taken out on a Deferred Initial Charging Basis;
 - 10.8.3 any Contract Encashment Charge; and
 - 10.8.4 any additional charges or costs associated with the encashment of your Contract. For example any market value adjustor, currency conversion, telegraphic transfer. This list is not exhaustive.

11. getting money out of your Contract beyond the Restricted Period

- 11.1 Once the Restricted Period has expired you may request an encashment of part or in full of your Contract. This encashment will not be subject to a Contract Encashment Charge. The value will normally be calculated on the Valuation Date following the Working Day on which we receive your written encashment request at our Guernsey Office (or the Working Day we are deemed to have received your written encashment request under Term 17.1.4). This is the Transaction Date shown in Term 20.3. If your Selected Fund is valued less frequently than daily then there may be a delay in completion of your written encashment request.

11.2 Partial encashment of your Contract

- 11.2.1 Where the Contract is linked to two or more Selected Funds, then units will be cancelled in line with your written encashment request. Where you have not specified which Selected Funds to encash units from, we will try our best to contact you for further instructions. We can accept no responsibility for the effects of any delay or failure to carry out all or part of your written encashment request in such circumstances.
- 11.2.2 To ensure that transactions and Contracts remain viable, we stipulate a minimum amount for a partial encashment as well as a Residual Contract Value. We will not carry out any request which would breach these amounts. These amounts will vary from time to time and per Contract.
- 11.2.3 We are entitled to defer or not to carry out any request for encashment due to the situation referred to in Term 22 or in Term 5.2.

11.3 Full encashment of your Contract

- 11.3.1 You may request a full encashment of your Contract. The value will normally be calculated on the Valuation date following the Working Day on which we receive your written encashment request at our Guernsey Office (or the Working Day we are deemed to have received your written encashment request under Term 17.1.4). If your Selected Fund is valued less frequently than daily then there may be a delay in completion of your written encashment request. This is the Transaction Date shown in Term 20.3.
- 11.3.2 We are entitled to defer or not to carry out any request for full encashment because of a situation such as referred to in Term 22 or in Term 5.2.
- 11.3.3 On full encashment of a Contract all Allocated Units are cancelled, the Contract will end and no further benefits will be payable in relation to that Contract.

- 11.4 On a full encashment the following charges will be deducted before any payment is made:

- 11.4.1 the amount of any accrued Charges; and
- 11.4.2 any additional charges or costs associated with the encashment of your Contract. For example any market value adjustor, currency conversion, telegraphic transfer. This list is not exhaustive.

- 11.5 What happens if Allocated Units in a Fund cannot be cancelled?
- 11.5.1 If it is not possible to cancel Allocated Units in a Fund or Funds because of a situation such as referred to in Term 22 or in Term 5.2 happening then:
- 11.5.1.1 if Allocated Units from the Fund or any of the Funds to which your Contract is linked cannot be cancelled then your written encashment request will not be actioned.
- 11.5.1.2 we will try our best endeavours to contact you for further instructions. We can accept no responsibility for the effects of any delay or failure to carry out all or part of your written encashment request in such circumstances.
- 11.5.2 Any written encashment request is subject to our reasonable requirements including proof of the entitlement of the Contract Holder to the Contract. These requirements may also include return of the Plan Summary and an encashment form.

12. Contract Charges and how they are paid

- 12.1 The Plan Summary which forms part of your Contract shows the details of the Charges that will, or in certain instances may, apply to your Contract.
- 12.2 Allocated Units will be deducted in arrears to pay the charges described in Terms 13 and 14 on the Contract Anniversary. Any accrued Charges will also be deducted from the Contract before we pay any Death Benefit or payment which brings the Contract to an end.
- 12.3 The charges described in Terms 13 to 14 are calculated on the month anniversary of the Contract and the same day of the month as the Contract Commencement Date (**'The Monthly Valuation Date'**). Where the calculation date is not a Working Day, charges will be calculated on the next Working Day.
- 12.4 Allocated Units will be deducted to pay accrued Charges on the Contract Anniversary, or the next Valuation Date of each Selected Fund or where this is a non-Working Day, Allocated Units will be deducted on the next Valuation Date.
- 12.4.1 Charges will be taken in the following way:
- 12.4.1.1 Where the liquidity and rebalancing option has been selected, Charges are taken from the Liquidity Fund first.

- 12.4.1.2 Once the Liquidity Fund has been exhausted, or if the liquidity and rebalancing feature has not been selected, Charges will be taken from all other available Selected Funds, in proportion to the amount each Selected Fund bears to the total available Selected Funds.
- 12.4.1.3 We may designate certain Selected Funds as unsuitable for the purposes of taking Charges. Charges will only be taken from these Selected Funds if there are no other Selected Funds available from which the Charges may be taken.

- 12.5 What happens if Allocated Units in a Fund cannot be cancelled?
- 12.5.1 If it is not possible to cancel Allocated Units in a Selected Fund or Funds because of a situation such as referred to in Term 22 happening then we will continue to accrue Charges until the situation in Term 22 no longer applies. We will then cancel Allocated Units at the next possible Valuation Date.

13. set up charges

- 13.1 You are able to elect how to pay for the setting up charges of your Contract. There are currently two different charging structures available. These structures are referred to as **'Annual'** and **'Deferred Initial' Charging Basis**.
- 13.2 The Allocation Percentage is shown in your Plan Summary. The amount allocated will depend on the charging structure you have elected and any initial commission paid.
- 13.3 Annual Charging Basis
- 13.3.1 Allocation Percentage
- 13.3.1.1 The Allocation Percentage is 103% minus the percentage of initial commission paid. We will multiply your Contribution by the Allocation Percentage to calculate the amount to invest into your Selected Fund(s).
- 13.3.2 Contract Establishment Charge
- 13.3.2.1 The Contract Establishment Charge is a deferred set up charge of 0.40% per annum of the Contribution taken over a 96 month period in equal instalments and is a charge taken to reflect the initial costs of setting up your Contract.

13.3.2.2 The total Contract Establishment Charge is calculated using the following formula:
 $0.40\%/12$.

This is truncated to six decimal places then:

x Contribution paid.

This value is truncated to two decimal places

x 96 months.

13.3.2.3 The Contract Establishment Charge is accrued at the Monthly Valuation Date.

13.3.2.4 No units are deducted at this point. The value of the Contract Establishment Charge is accrued until the Contract Anniversary or termination of the Contract, whichever is earlier.

13.3.2.5 The Contract Establishment Charge is a fixed charge.

The amount of it will not be affected by the value of your Contract.

For example:

$(0.40\%/12 \times \text{Contribution})$

13.3.2.6 Where the calculation date is not a Working Day, charges will be calculated on the next Working Day. Charges will be taken as per Term 12.4.1. Allocated Units will be deducted to pay accrued Charges on the Contract Anniversary. Where this is not a Working Day units will be deducted on the following Working Day.

13.3.2.7 If your Contract is fully encashed before the Total Contract Establishment Charge has been paid, accrued Charges will be taken but no further outstanding Contract Establishment Charge will be deducted before we will make payment to you.

13.3.3 Contract Encashment Charge

13.3.3.1 This charge applies on full encashment of your Contract, where your Contract has only been in existence for a complete number of years as specified in Term 13.3.3.3 from the Contract Commencement Date. It does not apply on termination of the Contract due to the death of the Relevant Life Assured.

13.3.3.2 The Contract Encashment Charge specified in Contract Encashment Charge Table 1 in Term 13.3.3.3 will apply.

13.3.3.3

Contract Encashment Charge Table 1

Number of complete years since Contract Commencement Date	Percentage of Contract Contribution deducted as a charge
0	5%
1	4%
2	3%
3	2%
4	1%
5 +	0%

For example, if the Contract Commencement Date is 1 January 2009 and the Contract Contribution is £20,000 and the units to pay for the full encashment are encashed on 2 January 2012, three complete years would have passed, so 2% of £20,000 would be deducted before any payment would be made.

If the units to pay for the full encashment are encashed on 31 December 2011, only two complete years would have passed, so 3% of £20,000 would be deducted before any payment would be made.

13.4 Deferred Initial Charging Basis

13.4.1 Allocation Percentage

13.4.1.1 The Allocation Percentage is 100%. We will multiply your Contribution by the Allocation Percentage to calculate the amount used to invest into your Selected Fund(s).

13.4.2 Contract Establishment Charge

13.4.2.1 The Contract Establishment Charge is a deferred set up charge. It is taken over a 36 month period in equal instalments and is a charge taken to reflect the initial costs of setting up your Contract.

13.4.2.2 The Total Contract Establishment Charge is calculated using the following formula:

$$\frac{\text{initial commission rate}/3}{12}$$

This is truncated to six decimal places then:

x Contribution paid

This value is truncated to two decimal places then:

x 36 months.

13.4.2.3 The Contract Establishment Charge is accrued at the Monthly Valuation Date.

13.4.2.4 No units are deducted at this point. The value of the Contract Establishment Charge is accrued until the Contract Anniversary or termination of the Contract, whichever is earlier.

- 13.4.2.5 The Contract Establishment Charge is a fixed charge, the amount of it will not be affected by the value of your Contract. For example if the initial commission rate is 3% and the Contribution is £60,000, then the following calculation will take place. $(3\%/3 = 1\%)/12 \times £60,000 = 50$ therefore meaning that £50 is accrued each month.
- 13.4.2.6 Where the calculation date is not a Working Day, charges will be calculated on the next Working Day. Charges will be taken as per Term 12.4.1. Allocated Units will be deducted to pay accrued Charges on the Contract Anniversary, or where this is not a Working Day, Allocated Units will be deducted on the following Working Day.
- 13.4.2.7 If your Contract is fully encashed before the Total Contract Establishment Charge has been paid, the full amount of the outstanding Contract Establishment Charge will be deducted before we will make payment to you.

13.4.3 Contract Encashment Charge

- 13.4.3.1 This charge applies on full encashment of your Contract, where your Contract has only been in existence for a specified complete number of years from the Contract Commencement Date. It does not apply on termination of the Contract due to the death of the Relevant Life Assured.
- 13.4.3.2 The Contract Encashment Charges specified in Contract Encashment Charge Table 2 in Term 13.4.3.3 will apply.

13.4.3.3

Contract Encashment Charge Table 2

Number of complete years since Contract Commencement Date	Percentage of Contract Contribution deducted as a charge
0	1%
1	1%
2	1%
3+	0%

For example, if the Contract Commencement Date is 1 January 2009 and the Contract Contribution is £20,000 and the units to pay for the full encashment are encashed on 2 January 2011, two complete years would have passed, so 1% of £20,000 would be deducted before any payment would be made.

If the units to pay for the full encashment are encashed on 2 January 2012, three complete years would have passed, so no Contract Encashment Charge will apply.

14. Annual Contract Charge

- 14.1 This charge applies to both Annual and Deferred Initial Charging Basis Contracts.
- 14.2 Dictionary
- 'Linked Plan(s)'** – A Linked Plan is one or more Plan(s) with Life Account 2 General Conditions and where all the Contracts within the Plan(s) have the same Contract Holder at the Contract Commencement Date. Where there is more than one Contract Holder all Contract Holders must be the same at the Contract Commencement Date. Namely, all Contracts must have the same Contract Holders at the Contract Commencement Date.
- 14.3 We may consider allowing a Plan which does not fall within the definition of a Linked Plan, as per Term 14.2, to be a Linked Plan. In such circumstances we will confirm this in writing to you.
- 14.4 The Annual Contract Charge is a charge payable annually on the Contract Anniversary, or next Working Day when the Contract Anniversary is not a Working Day, but calculated monthly as described in this Term 14.
- 14.5 As the amount of the Annual Contract Charge is calculated monthly but Allocated Units are not cancelled until the Contract Anniversary, then for clarity when working out the Annual Contract Charge, the Plan Value will include the value of those accrued Charges. The outstanding amount of the accrued Charges will not be affected by the decreasing or increasing Plan Value.
- For example, if the Plan Value is £25,000, and the accrued Charges are £2,000, the ongoing value used to work out the Annual Contract Charge is the Plan Value including any accrued Charges ie £25,000 as opposed to £23,000. If £2,000 is the value of the accrued Charges, if the Plan Value increases or decreases by say 50% the value of the accrued Charges remains unchanged.
- 14.6 The **Annual Contract Charge** is the term given to the collective value of the following:
- (i) the total of the Monthly Contract Charges for all of the Contracts within a Plan in the 12 month period prior to the Contract Anniversary; plus
 - (ii) the total of the Fund Additional Annual Contract Charges for all of the Contracts within a Plan; plus
 - (iii) the Distribution Contract Charge sometimes referred to as the 'Advice Fee' (if applicable).

14.7 The Monthly Contract Charge is calculated in the following way:

Step One

Total Plan Value of all Linked Plans applied against the **Tiered Calculation Table** detailed in Term 14.7.1 gives Total Linked Plan Charge.

Step Two

Total Linked Plan Charge/Total Plan Value of all Linked Plans = Weighted Total Linked Plan Percentage.

Step Three

Weighted Total Linked Plan Percentage x Plan Value/12 = Monthly Tiered Plan Contract Charge.

Step Four

The Monthly Tiered Plan Contract Charge or (£170 per Plan)/12, whichever is the greater = Monthly Plan Contract Charge.

Step Five

The Monthly Plan Contract Charge/Plan Value = Monthly Contract Charge Percentage.

Monthly Contract Charge Percentage x each Contract Value = Monthly Contract Charge for each Contract.

14.7.1 **For example; Step One** – How to work out the Total Linked Plan Charge.

Tiered Calculation Table	
Total Plan Value of all Linked Plans	Tiered charge rate
<£30,000	0.90%
£30,000 - £99,999.99	0.55%
£100,000 - £249,999.99	0.40%
£250,000 +	0.30%

14.7.1.1 To work out the Total Linked Plan Charge, the value of all Linked Plans, converted to sterling at the prevailing exchange rates where necessary, must be applied against the Tiered Calculation Table, in slices.

For example, if the Total Plan Value of all the Linked Plans is £60,000, then the Total Linked Plan Charge can be calculated by:

- applying the first slice of £29,999.99 of the Total Plan Value of all the Linked Plans at 0.90%;
- the second slice of £30,000.01 of the Total Plan Value of all the Linked Plans at 0.55%; and so on until the Total Plan Value of all the Linked Plans has been applied against the Tiered Calculation Table.

14.7.1.2 Each slice is then truncated to two decimal places. For example £269.99991 would be truncated to £269.99.

14.7.1.3 The calculation of all these slices is then added together to equal the Total Linked Plan Charge.

Based on the example above the Total Linked Plan Charge would be:

- Slice 1 = £269.99; plus
- Slice 2 = £165.00; plus

Total Linked Plan Charge £434.99

14.7.1.4 Where your Contract Denomination is not in sterling, the values calculated in 14.6 and 14.7 will be converted to your Contract Denomination at prevailing exchange rates.

In calculating the Annual Contract Charge in Term 14.7, we will convert the value of all your Linked Plans at the calculation date into sterling in order to determine the amount to be applied against the Tiered Calculation Table. You are able to request the exchange rate we have used for this calculation.

14.7.2 **Step Two** – How to work out the Weighted Total Linked Plan Percentage.

14.7.2.1 The Weighted Total Linked Plan Percentage is calculated by:

$$\frac{\text{The Total Linked Plan Charge}}{\text{Total Plan Value of all Linked Plans}}$$

For example:

$$\frac{£434.99}{£60,000} = 0.007249$$

14.7.2.2 The Weighted Total Linked Plan Percentage is rounded to the nearest four decimal places. In the example above, this would be 0.0072.

14.7.3 **Step Three** – How to work out the Monthly Tiered Plan Contract Charge.

14.7.3.1 The Monthly Tiered Plan Contract Charge is calculated by:

$$\frac{(\text{Weighted Total Linked Plan Percentage} \times \text{Plan Value})}{12}$$

For example:

$$\frac{0.0072 \times £30,000 \text{ (example Plan Value)}}{12}$$

= £18.00

The Monthly Tiered Plan Contract Charge is truncated to two decimal places.

14.7.4 **Step Four** – How to work out the Monthly Plan Contract Charge.

14.7.4.1 The Monthly Tiered Plan Contract Charge per Plan or (£170 per Plan)/12 truncated to two decimal places, whichever is the greater.

For example, the Monthly Tiered Plan Contract Charge per Plan in this example is £18.00, whereas (£170 per Plan)/12 would be £14.16. Therefore, for this month the greater value would be £18.00. However, if the Monthly Tiered Plan Contract Charge per Plan was £13.00, then the greater value would be £14.16.

This is the total Monthly Contract Charge for all of the Contracts within a Plan.

14.7.5 **Step Five** – How to work out the Monthly Contract Charge.

The Monthly Plan Contract Charge/Plan Value = Monthly Contract Charge Percentage.

Monthly Contract Charge Percentage x each Contract Value = Monthly Contract Charge for each Contract.

14.7.5.1 $£18.00/30,000 = 0.0006$

14.7.5.2 0.0006×300 (the Contract Value) = 0.18p

This is the Monthly Contract Charge for a Contract.

14.7.6 No units are deducted at this point. The value of the Monthly Contract Charge is accrued until the Contract Anniversary or termination of the Contract, whichever is earlier.

14.7.7 The Monthly Contract Charge is calculated each month. As it is calculated taking into account the Total Plan Value of all Linked Plan the charge will vary on a monthly basis. It is not possible to know the value of the Annual Contract Charge until the Contract Anniversary or termination of the Contract, whichever is earlier.

14.8 Fund Additional Annual Contract Charge

14.8.1 The Fund Additional Annual Contract Charge is an additional charge payable on certain Funds, for example some cash funds. If the Fund Additional Annual Contract Charge is applicable it will be shown within the Fund factsheet on our website at www.oldmutualinternational.com

14.8.2 The Fund Additional Annual Contract Charge for the Plan is calculated by:

(The value of the Allocated Units in the Selected Fund to which the additional charge is applicable x the additional charge specified in the fund factsheet)

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To calculate the Fund Additional Annual Contract Charge for each Contract the following additional steps need to apply:

Step One – Fund Additional Annual Contract Charge for the Plan/Plan Value = Fund Additional Annual Contract Charge Percentage.

Step Two – Fund Additional Annual Contract Percentage x each Contract Value = Fund Additional Annual Contract Charge for each Contract.

14.8.3 This Fund Additional Annual Contract Charge will then be added to the Monthly Contract Charge.

14.8.4 No units are deducted at this point. The value of the Fund Additional Annual Contract Charge is accrued until the Contract Anniversary or termination of the Contract, whichever is earlier.

14.8.5 The Fund Additional Annual Contract Charge is calculated each month. The amount of the Fund Additional Annual Contract Charge will depend on whether an additional fund charge applies to the Selected Funds to which your Contract is invested at the Monthly Valuation Date. The amount of this charge will vary on a monthly basis. Therefore, it is not possible to know the value of the Annual Contract Charge until the Contract Anniversary or termination of the Contract, whichever is earlier.

14.9 Distribution Contract Charge, sometimes referred to as the 'Advice Fee'

14.9.1 The Distribution Contract Charge is an additional charge payable to cover the fee you have agreed with your fund adviser for ongoing advice in relation to your fund choice. If a Distribution Contract Charge is applicable it will be shown within the Plan Summary. For clarity the Distribution Contract Charge is not deducted proportionately across all the Contracts. It is deducted as a partial encashment as described in Term 10.7 and Term 11. For example, the Distribution Contract Charge may be taken as a partial encashment against say six Contracts.

- 14.9.2 A Distribution Contract Charge is calculated by:
- $$\frac{\text{Percentage of the Plan Value as agreed with your fund adviser} \times \text{Plan Value}}{12}$$
- The Distribution Contract Charge is truncated to two decimal places.
- 14.9.3 This Distribution Contract Charge will be added to the Fund Additional Annual Contract Charge and the Monthly Contract Charge.
- 14.9.4 No units are deducted at this point. The value of the Distribution Contract Charge is accrued until the Contract Anniversary or termination of the Plan, whichever is earlier.
- 14.9.5 The Distribution Contract Charge is calculated each month. The amount of the Distribution Contract Charge will depend on the amount of fee being paid at the Monthly Valuation Date. The amount of this charge will vary on a monthly basis. Therefore, it is not possible to know the value of the Annual Contract Charge until the Contract Anniversary or termination of the Contract, whichever is earlier.
- 14.9.6 The Distribution Contract Charge is deducted as a partial encashment as described in Term 10.7 and Term 11. The Restricted Rules described in Term 10 also apply. No Allocated Units will be deducted to make payment of this charge if this would lead to a breach of the Restricted Rules. In this case you will have to make a separate arrangement to cover the fee you have agreed with your fund adviser.

15. Contract Switch Charge

- 15.1 We will apply a Contract Switch Charge with each Fund Switch out of your Selected Funds. For example if the Contract Switch Charge is £30 and a Fund Switch is made from Fund A to 60% Fund B and 40% Fund C you will incur one Fund Switch charge (£30). If a Fund Switch is made from Funds D and E to Fund G, then two Fund Switch charges will apply. This charge is taken per Plan to cover the administration cost of the Fund Switch.
- 15.1.1 To calculate the Contract Switch Charge as it applies per Contract.
- The Contract Switch Charge should be divided by the number of Contracts in one Plan ie $\text{£}30/100 = 30\text{p}$ per Contract.

- 15.2 The Contract Switch Charge is the monetary amount shown in the Product Information Sheet. This charge is not proportioned and so applies in full.
- 15.3 The Contract Switch Charge will be deducted from the proceeds of the initial Fund Switch. For example the charge would be taken from the proceeds of Fund A in the example above. If the Fund Switch is from more than one fund then the charge will be taken from the proceeds of each Fund. So, in the second example above the Contract Switch charge will be taken from Funds D and E.
- 15.4 The amount of this charge is reviewed yearly and may be altered with any amendment normally applying from 1 January each year.
- 15.5 When reviewing the charge we will, on the advice of our Actuary, consider any changes year-on-year to the level of administration expenses incurred by us affecting the Contract which are reasonable in amount and reasonably incurred.

16. other charges

- 16.1 Various third-party agent or other charges may be incurred by you choosing to have a Contract. As examples, these charges may include:
- 16.1.1 currency conversion charges for payment of any benefit in other than the Contract Denomination;
 - 16.1.2 currency conversion charges to purchase Funds in a different currency;
 - 16.1.3 remittance charges to pay benefits by a method requested by you;
 - 16.1.4 market value adjustors of particular Funds;
 - 16.1.5 charges imposed by a banker for an electronic transfer (such as telegraphic transfers).

These examples are illustrative and not exhaustive and we have no control over the number of such charges or their amount. As a result they may increase; reduce; stop or be introduced without notice to you or us.

17. telling us you want to use Contract options and communication generally

17.1 Communications to us

17.1.1 In order to exercise any options conferred by the Contract or to give us any valid elections or requests your communication must have been received at our Guernsey Office by 16.30 on a Working Day and be in writing bearing your original signature. Instructions received after 16.30 will be deemed to be received on the next Working Day.

17.1.2 Your request or instruction must comply with our then prevailing requirements, which may include return of the Plan Summary, anti-money laundering requirements and completion of a standard request or encashment form.

17.1.3 Your request or instruction will not be treated as received until it is actually received by us at our Guernsey Office subject to Term 17.1.4.

17.1.4 What do 'Our receipt' and 'We receive' mean in this Term and elsewhere in the Terms?

17.1.4.1 **'Our receipt'** and **'We receive'** means that:

- (a) we have received the relevant item by post at our Guernsey Office by 16.30 UK time on a Working Day, or
- (b) if an item is received later than 16.30 UK time on a Working Day by post at our Guernsey office, it will be treated as being received on the next Working Day; or
- (c) if an item is received by any other means of communication at our Guernsey Office, inclusive of, but not limited to, private delivery and courier services, then it will be treated as being received:
 - (i) if on a Working Day before UK time 16.30, at the actual time of receipt; or
 - (ii) if later than UK time 16.30, on the next Working Day; or
 - (iii) if this is not a Working Day, then on the next Working Day.

17.1.4.2 If an item is received other than at our Guernsey Office, then it will be treated as being received on the next Working Day it is actually received at our Guernsey Office.

17.1.5 To protect your rights we will not normally accept notification by electronic means – including for example e-mail; facsimile transmission; internet; telex; telephone; nor will we accept photocopied documentation.

17.1.6 We may from time to time vary Term 17.1.5 to enable communication by electronic means generally for some or all of our Contract Holders. Any such variation will be subject to such conditions and safeguards as we consider appropriate.

17.1.7 Where we vary Term 17.1.5 and agree to accept other forms of communication such as facsimile transmission any notification will not be treated as received until actually received by us. For clarity, the same cut offs defined in this Term 17 will apply. Any notification which is incorrect, incomplete, ambiguous or incomprehensible will not be acted upon and we will not be responsible for the consequences of any resulting delays.

17.1.8 We are entitled to amend these provisions by giving you prior notice of our intention. We may also introduce different provisions for different methods of communication that we may agree under Term 17.1.5.

17.2 Communications to you

17.2.1 Any notice required to be given to you under these Terms will be valid if sent by post to your last recorded address in our records.

17.2.2 Any such communication will be treated as though it had been received by you when it would normally be expected to have been received in the ordinary course of post. We can accept no responsibility for any failures by you to notify us of any change of address.

17.3 If we agree to vary Term 17.1.4 above then we may similarly vary Term 17.2.1.

18. right to cancel the Contract

- 18.1 You have the right to cancel the Contract during a 30 day period following receipt of the Plan Summary.
- 18.2 If you wish to cancel the Contract then you must advise us in writing at our Guernsey Office.
- 18.3 As you bear the investment risk of the Contract it is possible that the amount you will receive will be less than the Contribution you paid. That may be so if the value of any of the Funds falls between the Contract Commencement Date and the date we received written instructions to cancel the Contract at our Guernsey Office.
- 18.4 If you exercise this right, you will be entitled to receive:
- 18.4.1 a refund of any Contribution paid; less
 - 18.4.1.1 a deduction for any shortfall resulting from a fall in the markets during this period.
 - 18.4.1.2 any loss as a result of exchange movements.
 - 18.4.1.3 any loss as a result of the application of a market value adjustor applied to a fixed rate account.
 - 18.4.1.4 any amount already paid as a result of a partial encashment, full encashment of a single Contract or full encashment of all Contracts.
 - 18.4.1.5 any amount already paid as a result of a claim.
- 18.5 The amount refunded to the Contract Holder will be paid as soon as the Allocated Units have been encashed. Such payment may be delayed due to a notice period that the Selected Funds you have chosen may have in place from time to time.
- 18.6 We are entitled to defer any request for cancellation due to the situation referred to in Term 22.

19. currency of the Contract and where benefits are payable

- 19.1 All benefits are payable at our Guernsey Office in the Contract Denomination.
- 19.2 If the Contract Denomination you have chosen is replaced by legislation with a new denomination then the Contract Denomination will automatically become the new denomination. For example, if the Contract Denomination is the pound sterling and it is replaced by legislation with the euro then the Contract Denomination will automatically become the euro. Contributions and benefits will then be payable in the new currency based upon the rate of conversion provided for by legislation and the Contract will continue.

20. Valuation Date and Unit Price used on a Transaction Date

- 20.1 The Unit Price we will use for transactions listed below will be those for the Valuation Date that we have determined is appropriate for transactions taking place on that day or particular time of day.
- 20.2 For the purposes of Term 20 only, the provisions of Term 17.1.4.1 are varied so that an instruction which is received or deemed to be received on a Monday is treated as being received on a Tuesday. Therefore the earliest Transaction Date and Valuation Date that could apply would be on the Wednesday.
- 20.3 The Transaction Dates for transactions involving the cancellation of Allocated Units to pay for Charges will normally be:
- 20.3.1 on the next Valuation Date following the Working Day on which the Contract Anniversary falls for the Contract Establishment Charge or Claim Date if earlier, as explained in Term 13.
 - 20.3.2 on the Valuation Date following the Working Day on which the Contract Anniversary falls for the Annual Contract Charge or Claim Date if earlier, as explained in Term 14.
 - 20.3.3 on the Valuation Date following the Working Day on which the Contract Anniversary falls for the Fund Additional Annual Contract Charge or Claim Date if earlier, as explained in Term 14.8.

- 20.4 The Transaction Dates for transactions involving cancellation of Allocated Units to pay for benefits will normally be:
- 20.4.1 for the Death Benefit the next Valuation Date following the Working Day we receive written notification of the death of the Relevant Life Assured, which includes an original or suitably certified copy of the death certificate at our Guernsey Office, subject to Term 17.1.4. Where your Selected Funds deal less frequently than daily there may be a delay in receiving your proceeds.
- 20.4.2 for full or partial encashment of a Contract, the next Valuation Date following the Working Day that we receive your written encashment request at our Guernsey Office, subject to Term 17.1.4. Where your Selected Funds deal less frequently than daily then there may be a delay in completion of your written encashment request.
- 20.5 If units are allocated following payment of a Contribution then the Transaction Date will normally be the Valuation Date following the Contract Commencement Date.
- 20.6 If the transaction is a Fund Switch, then Units will normally be cancelled from the Selected Fund(s) you wish to move from and allocated to your new Selected Funds the next Valuation Date following the Working Day on which we receive the Fund Switch request at our Guernsey Office, subject to Term 17.1.4. Where the Funds deal less frequently than daily, then there may be a delay in completion of your Fund Switch.
- 20.7 The Valuation Date may be delayed due to a notice period that the Selected Funds you have chosen may have in place from time to time. In which case we will use the next Valuation Date following the notice period.
- 20.8 We are entitled to defer or not to carry out any transaction as explained in Terms 5, 7, 8, 10, 11 and 22.

21. varying the Terms because of changes to law and taxation

- 21.1 If we are unable to maintain the Contract in accordance with these Terms without it adversely affecting us or our contract holders because of:
- 21.1.1 any statutory or regulatory tax, duty or levy being imposed; or
- 21.1.2 any change in Guernsey law or other law or change in taxation or regulatory practice which affects:
- 21.1.2.1 us, or
- 21.1.2.2 the Contracts issued by us, or
- 21.1.2.3 the Funds maintained by us, or
- 21.1.2.4 the assets of the Funds; then
- 21.1.3 in such circumstances and on the advice of our Actuary we may vary these Terms and the benefits payable under the Contract if need be without giving prior notice.
- 21.1.4 Any such variation will be to whatever extent we regard as appropriate to put us and our contract holders into a financial position we both would have been in but for the levy or change in law, taxation or regulatory practice.
- 21.1.5 We will notify you of the variation and the reason for it at the first practical opportunity.

22. deferral and decline of transactions

- 22.1 Where we consider it to be in the interests of contract holders generally (inclusive of, but without limitation to the generality of the foregoing, prevailing stock market conditions) then we may, subject to Term 22.2, defer any transaction involving allocation, cancellation or Fund Switch of units for up to two weeks. However, where a Fund has a direct or indirect real property element, deferral may, subject to Term 22.2, be for a period not exceeding 12 months.

22.2 We may similarly defer any transaction involving allocation, cancellation or Fund Switch of units in a Fund to a date we consider appropriate and equitable in the circumstances, having regard to the interests of contract holders generally, including, without limitation to the generality of the foregoing, in the event that:

22.2.1 dealings in an underlying collective investment scheme or fund into which a Selected Fund invests or in an asset directly held by such scheme or fund has been suspended; or

22.2.2 any of the principal stock exchanges or markets on which a substantial proportion of the assets of a Fund are quoted is closed, other than for ordinary holidays, or has restricted dealing; or

22.2.3 we, or the manager on behalf of an underlying collective investment fund or scheme into which a Selected Fund invests:

22.2.3.1 is unable to repatriate money to make payments following cancellation of units; or

22.2.3.2 considers that any transfer of money to buy or sell assets of a Fund or payments due on cancellation of Units cannot be carried out at normal exchange rates; or

22.2.4 other circumstances preclude calculating fair and accurate prices for units.

22.3 You should be aware that for certain funds, for example property funds, the value of the asset is generally a matter of the opinion of a valuer rather than fact.

22.4 Where we consider that a transaction would adversely affect the interests of contract holders generally with units in the Fund then we are entitled to decline to carry out the transaction without prior notice rather than defer it in accordance with Term 22. We accept no liability for any economic or other loss occasioned by our exercising this right in good faith.

23. anti-money laundering

23.1 You will provide us with such information or documents that we reasonably request in order to comply with the anti-money laundering regulations and legislation in Guernsey or any other relevant jurisdiction. We can only proceed with the allocation of a Contribution or the payment of benefits when the information provided complies with the regulations and legislation. We can accept no responsibility for any delay or failure to carry out your instruction or request in such circumstances.

24. information technology and force majeure

24.1 We shall not be liable for any failure to perform our obligations if we are prevented from doing so by reason of:

24.1.1 failure outside of our control of our information technology systems provided we have reasonable procedures in place by way of a disaster recovery programme; or

24.1.2 other supervening acts outside of our control. For example (but not limited to) an act of God, war, terrorism, fire, flood, national emergency, radioactivity, sonic bangs, pollution, contamination or industrial action.

25. assignment and security cessions

25.1 When acknowledging and noting in our records any assignment or security cession we accept no responsibility for the validity or effect of the transaction to which it relates.

25.2 Assignment

25.2.1 Absolute assignment

25.2.1.1 The Contract Holder may assign the Contract to a third party in full, which results in a change to Contract ownership.

25.2.1.2 Any Beneficiary Nomination will be cancelled immediately when an absolute assignment takes place.

25.2.1.3 An absolute assignment will only be recorded if we are notified in writing, in a form acceptable to us.

25.2.2 Security cessions

25.2.2.1 The Contract Holder may assign interest in the whole of the Contract as collateral security. This ensures recognition of interest in the proceeds of a Contract, which does not involve a change to Contract ownership.

25.2.2.2 A security cession will only be recorded if we are notified in writing, in a form acceptable to us, and our requirements are met.

25.2.2.3 A security cession will take precedence over any Beneficiary Nomination received and accepted by us, as long as the security cession remains so recorded in our records.

25.2.3 All written encashment requests during the period of security cessions must be approved by the third party whose financial interests are represented by the security cession.

26. joint ownership

26.1 While the Contract is jointly owned any transaction requiring a request by you will require a request by all of you at that time.

27. US residents

27.1 This Contract is not available in the United States of America, its territories and possessions, nor is the Contract available to US residents. Any Contract Holder who later becomes resident in the United States of America, its territories and possessions, will be subject to restrictions placed in the Contract. For the duration of the residence, these restrictions include, but are not limited to, removal of the ability to switch between Funds.

28. relevant law

28.1 The Terms of this Contract are to be interpreted in accordance with and are governed by Guernsey Law. However, all disputes regarding your Contract shall be subject to the non-exclusive jurisdiction of the courts of Guernsey.

29. Old Mutual Guernsey complaints procedure

29.1 If you wish to complain about any aspect of the service you have received, please send all complaints in writing to the complaints department at our Guernsey Office. The complaints department will then investigate your complaint thoroughly using documented internal procedures within a reasonable timescale.

part C – Fund conditions

30. Valuation Date

- 30.1 This is a time when we calculate the value of the Fund and its Unit Prices.
- 30.2 We normally value Funds weekly although we are entitled to value a Fund more or less often than this. For example, this could be because of the frequency of valuations of an underlying collective investment fund or scheme into which the Fund invests.
- 30.3 We decide which Valuation Date will apply to particular transactions on a Transaction Date. We may have to change this in the future when considering in particular our administration and business requirements. In such an event we will provide you with notice.
- 30.4 The Valuation Date may be delayed due to a notice period that the Selected Funds you have chosen may have in place from time to time. In which case we will use the next Valuation Date following the notice period.

31. how we value a Fund

- 31.1 The value of a Fund is principally derived from the valuation of the underlying investments, but will also include elements of income, cash, expenses and possibly taxation.
- 31.2 Investments held in currencies other than in the Fund currency will be converted at prevailing currency exchange rates at the Valuation Date.
- 31.3 Income
- 31.3.1 The value of a Fund will include amounts relating to income in the form of dividends, distributions and interest from the underlying investments. Appropriate adjustments for income not yet received will be included within the value of the Fund where they are known prior to receipt.
- 31.3.2 All income, net of taxes, in respect of the assets of the Fund will be credited, as it is due, to that Fund and will not be distributed to you.

31.4 Cash

31.4.1 Where appropriate, cash accounts (this does not include any Uninvested Cash) will be included in the value of the Fund.

31.5 Expenses

- 31.5.1 At each Valuation Date, we will deduct from the value of a Fund:
- 31.5.1.1 the expenses of acquiring, charging, disposing of, managing, maintaining and valuing the assets of the Fund; and
- 31.5.1.2 any actual or prospective liability with regards to tax, levy, duty or other charge on the assets or income of the Fund or in respect of a transaction or dealing connected therewith.
- 31.5.2 Appropriate expense provisions will be deducted from the value of a Fund, where known, prior to the payment date of those expenses.
- 31.5.3 The price of units or shares in underlying collective investment funds and schemes will implicitly reflect the underlying annual management charge and expenses for those investments.

31.6 Taxation

- 31.6.1 We will deduct from the value of a Fund, where appropriate, amounts for withholding tax liabilities in respect of investment income.

31.7 Levies or other charges

- 31.7.1 We may deduct from the Fund an amount for the share of any actual or prospective levy or other charge on the investments or income of the Fund that we consider proper.

31.8 You should be aware that for certain funds, for example property funds, the value of the asset is generally a matter of opinion rather than fact.

32.2 The maximum Unit Price of the units of the Fund is calculated on each Valuation date, by taking the net value of the total assets of the Fund as set out in Term 31, based on an amount determined by us in respect of the acquisition costs of the assets of the Fund, then dividing by the number of units of the Fund immediately before the Valuation Date. The result is then rounded up by no more than 1%.

32.3 We will determine the Unit Price of the Fund at either the minimum Unit Price or the maximum Unit Price depending on whether the Fund as a whole is selling or buying assets.

33. closure, merger or other termination of a Fund

33.1 Where we consider that it is in the interests of contract holders (or where circumstances outside our control dictate), we may close a Fund to further investment from contract holders by way of Contributions or Fund Switch either temporarily or permanently. In that case the Fund will remain as one of your Selected Funds unless you carry out a Fund Switch where possible.

33.2 We may also terminate a Fund for all unit holdings. An example of this could be where we consider it to be uneconomic to continue to operate a Fund, or where an underlying investment scheme or fund into which the Fund invests is closed or becomes unavailable to us.

33.3 We may also merge two or more Funds where we (or a manager of the underlying collective investment funds or schemes into which the Funds invest) consider it to be appropriate and economic.

33.4 You may choose another Fund or Funds as explained in Term 7.4. If you do not make a choice, then we will choose a suitable similar Fund (or if none then a deposit Fund), or if following a merger then the merged Fund, provided we consider that the objectives of the Fund remain broadly similar. We will give you notice as soon as practically possible regarding any closure, merger or termination of a Fund.

32. calculation of Unit Prices

32.1 The minimum Unit Price of a unit of the Fund is calculated on each Valuation Date by taking the net value of the total assets of the Fund as set out in Term 31, based on an amount determined by us in respect of the cost of realising the assets of the Fund, then dividing by the total number of units of the Fund immediately before the Valuation Date. The result is then rounded down by not more than 1%.

www.oldmutualinternational.com

Old Mutual Guernsey is the trading name of Old Mutual Life Assurance Company (South Africa) Limited, Guernsey Branch.

Old Mutual Guernsey, whose principal place of business is Albert House, South Esplanade, St Peter Port, Guernsey, GY1 1AW, is a branch of Old Mutual Life Assurance Company (South Africa) Limited, which is incorporated in South Africa (reg no. 1999/04643/06). Registered Office: Mutualpark, Jan Smuts Drive, Pinelands, Cape Town, South Africa. Old Mutual Guernsey is licensed by the Guernsey Financial Services Commission under The Insurance Business (Bailliwick of Guernsey) Law, 2002 to carry on long term insurance business.

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